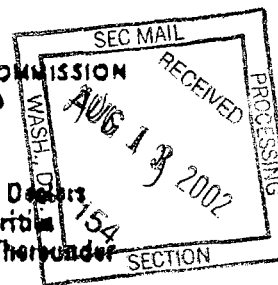




02022946

AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FACING PAGE

Information Required of Brokers and Dealers  
Pursuant to Section 17 of the Securities  
Exchange Act of 1934 and Rule 17a-5 ThereunderANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC FILE NO.

8-31948

REPORT FOR THE PERIOD BEGINNING

7-1-01  
MM/DD/YY

AND ENDING

6-30-02  
MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Securities Corporation of America

Official Use Only

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS:

(Do not use P.O. Box No.)

844 Pierce Ave Suite 205

(No. and Street)

Marinette, WI 54143

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Raymond B. Haulotte

715-735-3378

(Area Code -- Telephone No.)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

(Name -- If individual, state last, first, middle name)

Sorensen, Carl R.

844 Pierce Avenue Suite 204 Marinette, WI 54143

(ADDRESS)

Number and Street

City

State

Zip Code

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

PROCESSED

AUG 28 2002

THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption.  
See section 240.17a-5(e)(2).

## OATH OR AFFIRMATION

I, Raymond B. Haulotte, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Securities Corp of America for June 30 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Jeanne A Phillips, Notary Public

Dated: 8-6-02

State of Wisconsin

Marinette County

Commission Expires: 10-23-05

Jeanne A Phillips  
Notary Public

RB Haulotte

Signature

RAYMOND B. HAULOTTE

President

Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing page
- ☒ (b) Statement of Financial Condition
- ☒ (c) Statement of Income (loss)
- ☒ (d) Statement of Changes in Financial Condition
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation
- ☐ (m) A copy of the STPC Supplemental Report
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**SECURITIES CORPORATION  
OF AMERICA**

**Financial Statements**

**For the Year Ended**

**June 30, 2002**

SECURITIES CORPORATION OF AMERICA  
Financial Statements  
For the Year Ended  
June 30, 2002

**TABLE OF CONTENTS**

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# Carl R. Sorensen

Certified Public Accountant

844 Pierce Avenue  
"In The Northern Building"  
P.O. Box 225

Marinette, Wisconsin 54143  
Phone 715-735-9021  
Fax 715-735-7116

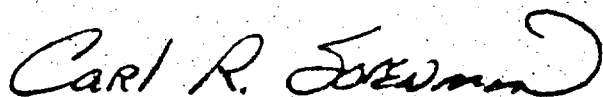
## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Securities Corporation of America  
844 Pierce Avenue, Suite 205  
Marinette, WI 54143

I have audited the statements as listed in the table of contents of Securities Corporation of America as of June 30, 2002, and for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the table of contents present fairly, in all material respects, the financial position of Securities Corporation of America at June 30, 2002, and the results of its operations and changes in financial condition for the year then ended, in conformity with generally accepted accounting principles.



July 12, 2002

SECURITIES CORPORATION OF AMERICA  
Statement of Financial Condition  
June 30, 2002

| ASSETS                          | <u>Allowable</u> | <u>Non-<br/>Allowable</u> | <u>Total</u>     |
|---------------------------------|------------------|---------------------------|------------------|
| Cash                            | \$ 65,081        | \$ —                      | \$ 65,081        |
| Receivable from dealers - other | 1,625            | 66                        | 1,691            |
| Interest receivable             | —                | 10                        | 10               |
| Prepaid expenses                | <u>—</u>         | <u>1,301</u>              | <u>1,301</u>     |
| Total Assets                    | <u>\$ 66,706</u> | <u>\$ 1,377</u>           | <u>\$ 68,083</u> |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

A.1. Liabilities:

|                     |              |
|---------------------|--------------|
| Accounts payable    | \$ 146       |
| Accrued liabilities | <u>2,103</u> |
| Total liabilities   | 2,249        |

Stockholders' Equity:

|                            |               |
|----------------------------|---------------|
| Common stock               | 200           |
| Additional paid-in capital | 22,605        |
| Retained earnings          | <u>43,029</u> |

Total stockholders' equity 65,834

Total Liabilities and Stockholders' Equity \$ 68,083

SECURITIES CORPORATION OF AMERICA  
Statement of Income  
For the Year Ended  
June 30, 2002

Revenue:

Commissions:

|                                   |              |
|-----------------------------------|--------------|
| Exchange listed equity securities | \$ 36,221    |
| Sale of investment company shares | 118,726      |
| Other revenue                     | <u>2,122</u> |

Total Revenue 157,069

Expenses:

|   |               |
|---|---------------|
| Salaries and other employment costs of<br>voting stockholder officers | 117,436       |
| Other employee compensation and benefits                              | 1,272         |
| Other expense   | <u>37,279</u> |

Total Expenses 155,987

Net Income before Income Tax 1,082

Provision for Income Tax —

Net Income \$ 1,082

SECURITIES CORPORATION OF AMERICA  
Statement of Changes in Financial Condition  
For the Year Ended  
June 30, 2002

**Source of Funds:**

|                                 |                 |
|---------------------------------|-----------------|
| Funds from operations:          |                 |
| Net Income                      | \$ <u>1,082</u> |
| Total Sources From Operations   | 1,082           |
| Decrease in accounts receivable | 798             |
| Decrease in interest receivable | 49              |
| Increase in accrued liabilities | 474             |
| Decrease in prepaid expenses    | <u>37</u>       |
| Total Source Of Funds           | 2,440           |

**Use of Funds:**

|                                    |                         |
|------------------------------------|-------------------------|
| Decrease in accounts payable       | <u>118</u>              |
| Total Use Of Funds                 | <u>118</u>              |
| Increase (decrease) in cash        | 2,322                   |
| Cash balance - Beginning of period | <u>62,759</u>           |
| Cash balance - End of period       | \$ <u><u>65,081</u></u> |



SECURITIES CORPORATION OF AMERICA  
Statement of Changes in Stockholders' Equity  
For the Year Ended  
June 30, 2002

|                               |                  |
|-------------------------------|------------------|
| Balance - Beginning of period | \$ 64,752        |
| Income                        | <u>1,082</u>     |
| Balance - End of period       | <u>\$ 65,834</u> |

Statement of Changes in Liabilities Subordinated  
to Claims of General Creditors  
For the Year Ended  
June 30, 2002

|                               |             |
|-------------------------------|-------------|
| Balance - Beginning of period | \$ —        |
| Increases                     | —           |
| Decreases                     | <u>—</u>    |
| Balance - End of period       | <u>\$ —</u> |

SECURITIES CORPORATION OF AMERICA  
Computation of Net Capital  
June 30, 2002

|   |                  |
|---|------------------|
| Ownership Equity                          | \$ 65,834        |
| Less: Ownership equity not allowable      | <u>—</u>         |
| Total ownership qualified for net capital | 65,834           |
| Less: Non-allowable assets                | <u>1,377</u>     |
| Net capital                               | <u>\$ 64,457</u> |

The above computation of net capital has been reconciled to the broker-dealer's corresponding unaudited part IIA and have found that no material differences existed.

SECURITIES CORPORATION OF AMERICA  
Computation of Reserve Requirements  
For the Year Ended  
June 30, 2002

An exemption from Rule 15c 3-3 is claimed based upon Section (K)(2)(B) - all customer transactions are cleared through another broker-dealer on a fully disclosed basis. The name of the clearing firm is Southwest Securities of Dallas, Texas.

SECURITIES CORPORATION OF AMERICA  
Notes to Financial Statements  
June 30, 2002

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Securities Corporation of America is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Business Activity

The Company is a securities dealer servicing stocks, mutual funds, annuities, and other financial instruments.

Concentrations of Credit Risk

The Company maintains their cash balances in two banks in Wisconsin and a money market account with SWS Securities. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of June 30, 2002, all balances were fully insured.

Cash

For purposes of changes in financial condition, the Company considers all securities with a maturity of a year or less to be cash equivalent.

**NOTE 2      INCOME TAXES**

The Company had no tax liability for the current year as a result of the net operating loss carry forward. A carry forward of \$1,319 remains for future periods.

**NOTE 3      RELATED PARTY TRANSACTIONS**

Related party transactions consist of the use of office equipment owned by the major shareholders. No rent was paid for the use of this equipment during the year.

**NOTE 4      COMMITMENTS**

The Company leases its office space under a monthly operating lease.

Board of Directors  
Securities Corporation of America  
844 Pierce Avenue, Suite 205  
Marinette, WI 54143

I have audited the financial statements of Securities Corporation of America for the year ended June 30, 2002, and have issued my report thereon dated July 12, 2002. As part of my examination I made a study and evaluation of the Company's system of internal accounting control to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Company's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of Securities Corporation of America is responsible for establishing and maintaining a system of internal accounting control. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Securities Corporation of America taken as a whole. However, my study and evaluation disclosed no conditions that I believe result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of Securities Corporation of America.

This report is intended solely for the use of management and should not be used for any other purpose.

*Carl R. Eversman*

July 12, 2002